

VIRGINIA: IN THE CIRCUIT COURT FOR THE CITY OF NORFOLK

**REPORT OF SPECIAL GRAND JURY ON ACTIVITIES OF THE
NORFOLK COMMUNITY SERVICES BOARD**

AUTHORITY OF THE SPECIAL GRAND JURY

By Order entered by the Circuit Court of the City of Norfolk, Virginia on February 14, 2012, a Special Grand Jury was impaneled pursuant to §19.2-206 of the Virginia Code to investigate and report to the Court on any condition that involves or tends to promote criminal activity within the Norfolk Community Services Board ("NCSB") by that agency or any official thereof as provided in §19.2-191(2) of the Virginia Code.

By Order entered March 14, 2012, the Court appointed John R. Fletcher as Special Counsel to assist the Special Grand Jury in its work. The Court further appointed Director of Professional Standards of the Norfolk Sheriff's Department, Robert Wash, as Special Investigator to provide investigative services to the Special Grand Jury.

By Order entered August 24, 2012, the Court extended the term of the Special Grand Jury a further six months.

Pursuant to §19.2-206 of the Virginia Code and the Orders of this Court, the Special Grand Jury conducted an investigation of the matters referred to it, and files this report as required under §19.2-213 of the Virginia Code. Attached to this report are Appendices I through VI. These appendices contain references and records pertinent to this report but which are to remain under seal.

SUMMARY OF PROCEEDINGS

The Special Grand Jury convened on sixteen separate occasions beginning on March 14, 2012 and ending on December 11, 2012. In addition to hearing testimony under oath and participating in deliberations, individual members of the panel devoted many hours of personal time to the review of documents obtained during the course of investigation and transcripts of testimony. Eighteen witnesses testified under oath before the panel. One hundred two exhibits were admitted of record. Among the witnesses were current and former employees of NCSB, a former NCSB chairperson, and personnel with relevant information from the City of Norfolk. Although not all were called as witnesses, Special Investigator Wash interviewed a number of people believed to have potentially relevant information and reported his findings to the panel. Special Counsel's office also investigated ancillary issues, interviewed witnesses, and reported to the Special Grand Jury on matters of interest. Thousands of pages of documents were obtained by subpoenae from numerous sources, including NCSB, the City of Norfolk, independent auditors, and the Norfolk Police Department. Documents were reviewed for relevance by the Special Investigator and Special Counsel and were considered by the Special Grand Jury as necessary.

Testifying witnesses were warned as required by §19.2-208 of the Code. Witnesses represented by counsel testified in the presence of their counsel.

The Special Grand Jury last heard testimony on September 25, 2012. The panel met to deliberate and consider its Report on October 19, 2012, November 7, 2012, November 27, 2012, and December 11, 2012.

BACKGROUND

The Special Grand Jury undertook to investigate issues associated with payroll payments made by NCSB to an employee, Jill McGlone, during an approximate twelve-year period when she was not physically working. Allegations concerning these payments were widely reported in the press commencing in September 2010. Five NCSB employees were discharged. Criminal investigations ensued, but no one was prosecuted. On July 20, 2011, the Commonwealth's Attorney of the City of Norfolk declined to initiate criminal charges in connection with the matter. Civil suits were filed by the City of Norfolk against several discharged employees, but all have since been dismissed.

FINDINGS OF FACT

A. Organization of NCSB

1. NCSB, during the Relevant Period,¹ was an "operating board" form of community services board enabled under §37.2-500, et seq., of the Virginia Code and predecessor statutes. NCSB was created under Article XIII of the Norfolk City Code, Sec. 2-524. Employees of NCSB were employees of an agency of the City of Norfolk.

2. As an operating board, in accordance with Sec. 2-527 of the Norfolk City Code, NCSB was vested with the authority to accept grants, disburse funds and enter into agreements to further its purposes. NCSB received funds from local, state and federal sources. The powers and duties of NCSB, as an operating board, are further prescribed in §37.2-504 of the Virginia Code and include the power to appoint an executive director of community mental health, mental retardation and substance abuse services.

¹ For the purposes of this report, the "Relevant Period" is March 16, 1998 through May 15, 2010

3. The lay Board of Directors of NCSB was appointed by Norfolk City Council. The Board appointed the Executive Director, who was responsible to the Board for the overall management of the organization.

4. George Pratt was appointed Executive Director of NCSB in 1996 and served until his retirement, effective July 1, 2008. Upon his resignation, Brenda Wise served as Interim Executive Director from July 1, 2008 to February 17, 2009. Maureen Womack began service as Executive Director on February 17, 2009 and continued until December 31, 2011.

5. Substantive NCSB programs were led by Departmental Directors, each of whom structurally reported directly to the Executive Director. The Director of Administration, Brenda Wise, also reported directly to the Executive Director and had broad control over human resources management and financial management of the organization.

6. Per section 2-531 of the City Code, the Director of Finance of the City of Norfolk acted as the designated fiscal agent of NCSB. NCSB's payroll disbursements were made through the City of Norfolk's payroll system. Payroll was disbursed based solely upon information provided by NCSB.

B. The Boxcutter Incident - Suspension Without Pay - Initial Administrative Leave

7. On April 3, 1998, employee Jill McGlone was accused of "carrying a weapon" i.e., a boxcutter onto NCSB property. As a result, Ms. McGlone was suspended without pay commencing April 14, 1998. A letter dated April 16, 1998 to Jill McGlone, signed by Brenda Wise, confirmed the suspension, and instructed her not to enter NCSB property. On May 13, 1998, Jill McGlone, with the help of an intermediary, wrote to Brenda Wise questioning the validity of her suspension and requesting her reinstatement.

8. After 30 days the investigation into the incident involving the weapon remained incomplete, and no disciplinary action had been taken. Per alleged NCSB policy Ms. McGlone was returned to payroll effective May 15, 1998, to allow for completion of the investigation. Jill McGlone's status was listed as "administrative leave with pay," and Ms. McGlone was not permitted to return to work. After the initial suspension, no significant investigation of the boxcutter incident was ever conducted or concluded.

C. The Confidentiality Violation - NCSB Client Claim

9. On June 22, 1998, a NCSB client reported to an NCSB staff member that Jill McGlone had disclosed her HIV status to a third party. A fact finding investigation was conducted by staff in the Clinical Services Department (later the Substance Abuse Department) in which Ms. McGlone had worked. According to the Incident Report dated June 25, 1998, the complaint was then referred to Brenda Wise for investigation. In a routing request dated June 25, 1998, the Director of Clinical Services recommended that Jill McGlone be discharged, but no action was taken.

10. By letter dated August 19, 1998, the NCSB client's attorney notified George Pratt of the alleged confidentiality violation, at which time the Norfolk City Attorney's office became involved. The letter arrived while Pratt was on vacation; however, a copy was sent to an Assistant City Attorney by Brenda Wise on August 28, 1998, with a copy to George Pratt. The Assistant City Attorney replied to the NCSB client's attorney on August 31, 1998 advising that the matter was under investigation by NCSB. Dr. Pratt was sent a copy of that communication. Also, on August 31, 1998, the Assistant City Attorney wrote to Brenda Wise requesting that the investigation be completed as expeditiously as possible.

11. On September 18, 1998, October 19, 1998, and November 10, 1998 the Assistant City Attorney communicated with Brenda Wise by facsimile, on each occasion stressing the importance of completing the investigation as soon as possible. In his November 10, 1998 communication, the use of a polygraph as an investigative tool to speed up the process was suggested by the Assistant City Attorney.

12. On November 13, 1998, the Assistant City Attorney sent a facsimile communication to Dr. Pratt and Brenda Wise advising, because of potential criminal liability which might result from unauthorized disclosure of confidential drug treatment records, that consideration should be given to consulting with the U. S. Attorney's office about the NCSB client/Jill McGlone matter. The Assistant City Attorney noted that "[t]his matter is becoming more problematic with every passing day." He advised that it be given priority status and dealt with expeditiously, also posing the question whether the chairperson of NCSB should be briefed. In testimony, Dr. Pratt did not recall seeing the November 13 communication; however, he stated his belief that had he received it he would have conferred with Ms. Wise and with the chairperson. The chairperson, in testimony, adamantly denied any communication from Dr. Pratt concerning the NCSB client/Jill McGlone matter at any time. Further, during her tenure as a member of the Board ending in approximately 2004 no aspect of the Jill McGlone matter was ever brought to the attention of the Board of Directors. There is no evidence that the Jill McGlone matter came to the attention of the Board at any other time during the Relevant Period.

13. On December 16, 1998, the Assistant City Attorney wrote the Assistant U.S. Attorney describing the nature of the alleged offenses by Jill McGlone. Copies of this letter were sent to Dr. Pratt and Ms. Wise. By letter dated January 13, 1999, the United States Attorney declined to take action concerning the Jill McGlone case. On January 19, 1999, the

Assistant City Attorney transmitted to Brenda Wise a copy of the U.S. Attorney's letter. The Assistant City Attorney stressed the serious nature of the matter and stated his assumption that NCSB would want to proceed with dismissal. According to his testimony, no response was received from Ms. Wise.

14. On April 19, 1999, the Assistant City Attorney transmitted by facsimile to Brenda Wise a letter dated April 16, 1999 from the NCSB client's attorney offering to settle her claim against NCSB. The Assistant City Attorney advised Ms. Wise of potential defenses to the claim and concluded with a strong admonition that "[w]e certainly need to start a dismissal action against the wrongdoer." Dr. Pratt claims to have no recollection of seeing the April 19, 1999 communication but, had he seen it, acknowledges that he would have directed Ms. Wise to "[m]ake it so." Dr. Pratt believes that information was being purposely withheld from him.

15. Except for the staff investigation disclosed in the Incident Report of June 25, 1998 and the Routing Request of the same date, the only documentary evidence of investigation of the alleged confidentiality violation by Jill McGlone concerning the NCSB client consists of four pages with handwritten notes identified by Brenda Wise as being notes made by her at different times. These notes begin with an entry on 11/23/98 to the effect that Jill McGlone likely had the ability to learn about the NCSB client's HIV status by reason of computer access and that Ms. McGlone probably had not signed any type of confidentiality agreement. The second page of notes closes with an entry discussing probable referral of the matter to the U.S. Attorney, which likely places it in the timeframe of December 1998. The third page also bears a partial date "12/3", also likely referring to 1998. The fourth page refers to "Discussion with Dan 6/14/99" likely referring to Ms. Wise's discussion of the NCSB client/McGlone matter with the Assistant City Attorney on that date. During the Relevant Period, there is no evidence of any further

investigation by or at the direction of Brenda Wise or George Pratt of the alleged confidentiality violation by Jill McGlone.

16. On June 29, 1999, the NCSB client filed a lawsuit against NCSB and Jill McGlone. Only NCSB was served. Service was not requested upon Jill McGlone. After defensive pleadings were filed, the lawsuit was eventually ended by non-suit filed by the NCSB client on March 13, 2000, without any payment by NCSB. Dr. Pratt recalls being told about dismissal of the lawsuit and being happy about it and claims to have then believed that Jill McGlone was no longer employed by NCSB. He assumed that she had resigned.

D. The Next Ten Years - McGlone Continues On Payroll

17. Jill McGlone continued to be carried as a full-time employee on NCSB's payroll during the entire Relevant Period.

18. Until his resignation, effective July 1, 2008, George Pratt, as Executive Director, had sole authority to terminate an employee. As Director of Administration, Brenda Wise reported directly to the Executive Director and had organizational authority over the Human Resources Department and the Finance Department. Although she appeared on the organizational chart at an equal level with Directors of Clinical and Program Departments, it is abundantly clear from the testimony of witnesses that Ms. Wise, by reason of her control over personnel and financial resources, was in charge of the day to day operations of NCSB. Ms. Wise and Dr. Pratt were seen as a closely knit team, in which he was inclined to defer to her on administrative matters. Dr. Pratt claims no knowledge of Jill McGlone's continuing status on the payroll of NCSB until the entire matter became public. Brenda Wise claims never to have discussed Jill McGlone's payroll status with Dr. Pratt.

19. By letter of appointment from the Chairperson of the Board of Directors of NCSB, dated June 10, 2008, Brenda Wise was appointed Interim Executive Director, to serve beginning July 1, 2008. Her rate of pay increased concomitantly, although short-lived, from an annual rate of \$108,199.68 to \$119,019.65. Ms. Wise continued as Interim Executive Director until February 17, 2009, when she reverted to her prior position as Director of Administration, as confirmed by letter from the Chairperson of the Board of Directors dated March 24, 2009. Notably, while serving as Director of Administration under Dr. Pratt, between 1998 and July 2008, her semi-monthly pay rate grew from \$2,702.29 to \$4,508.32. Ms. Wise also routinely received annual performance bonuses, typically 3% to 5% of her gross compensation, justified by glowing evaluations signed by Dr. Pratt. In 1999, Dr. Pratt recognized high personnel turnover and personnel problems within NCSB and praised Ms. Wise for approaching "these challenges with great understanding, confidentiality and professionalism." In 2000, Dr. Pratt complimented her for her handling of "several significant personnel issues, and several important legal matters." In 2004 and 2005, Dr. Pratt's evaluations recognized successful completion of Financial Audits "that resulted in absolutely no findings."

In 1999, Brenda Wise subscribed to NCSB's Ethical Standards, as approved by George Pratt on September 15, 1999. Dr. Pratt countersigned as witness and confirmed discussion of the Ethical Statements with Ms. Wise. The fourth Standard, set forth in its entirety, provides:

MAINTAIN RESPONSIBILITY TO SOCIETY AND THE PUBLIC TRUST:

Public trust and responsibility to society obligate the professional to demonstrate a dedication to moral and professional excellence and integrity and to contribute to the knowledge base of the field in order to improve services to consumers and, in a more general way, to promote human welfare.

4.1 We comply with all applicable federal, state, and local codes and laws, which affect the services and organization of the NCSB. We will comply

with such laws in such a way as to increase the public's confidence in the NCSB and its employees.

4.2 We safeguard the reputation of the NCSB and work to enhance the community's perception of the entire NCSB and all of its employees through (sic.) well considered and professional public (or potentially public) statements, opinions, or positions. We strive to enhance the perception of professionalism and quality to all of our consumers, both internal and external.

4.3 We conduct our programs, services, and activities with such personal honesty and integrity as to place both the NCSB and ourselves above reproach morally, legally and ethically.

4.4 We maintain the non-public business of the Board as confidential. This includes information related to the business, financial, personnel, or technological information, plans or data that we may acquire as an employee of the Board.

20. On October 27, 2004, Dr. Pratt approved a revised Ethics Policy, dated 4/22/04, which advanced the tenets of the 1999 Ethical Standards, previously revised in 2002. Appended to the 2004 Ethics Policy was a detailed Code of Ethics which was predicated upon the need for open communication among management and employees:

Maintaining an ethical workplace is the joint responsibility of managers and employees. Every employee is informed of their responsibility to ask questions, seek guidance, and report suspected violations of waste, fraud and abuse and other questionable activities and practices. At point of hire and annually thereafter, employees are provided information on the Norfolk CSB Corporate Compliance Resolution. This is a no-reprisal system for use by employees and volunteers in reporting any ethical concerns.

Among the detailed charges set out in the Code of Ethics, all employees were admonished to "safeguard all Norfolk CSB Assets and resources entrusted to them," and to "[p]romptly report any illegal or unethical conduct to management or other appropriate authorities."

21. Payroll status and deductions at the NCSB were implemented by way of a payroll status report ("PSR") generated by the Human Resources Department of NCSB and processed through the City's payroll system. PSR's for Ms. McGlone's initial suspension without pay and

the resumption of pay while on administrative leave are not in Jill McGlone's personnel file at NCSB, nor have they been otherwise located through subpoena. Available records do indicate that PSR's were processed during the Relevant Period authorizing changes in Jill McGlone's deductions. During the Relevant Period, Brenda Wise signed at least three PSR's relating to Ms. McGlone's deductions. In addition, documents known as labor reports were prepared for each employee on a weekly basis. These reports showed the hours worked by each employee and any leave taken. In Jill McGlone's case, periodic labor reports were signed in her name by proxy, by another employee, and countersigned by Jill McGlone's departmental director. These reports always showed correctly that Ms. McGlone was on "administrative leave", and never reported that she was actually working any hours. Because the City's payroll system operated on an exceptions only basis, the information provided from NCSB to the City did not raise particular concerns on the part of City payroll employees about Jill McGlone.

22. Records indicate that Ms. McGlone received several cost of living increases during the Relevant Period. These were authorized as part of staff-wide general wage increases. On June 21, 2007 the Chief Financial Officer notified the City Finance Department by email to exclude Jill McGlone from the 2007 general wage increase. This was done upon instruction from Brenda Wise, and Ms. Wise was copied on the email.

23. As part of the budget preparation process, in March or April of each fiscal year, a report listing every current NCSB employee was generated at the request of the Chief Financial Officer. That report included date of hire, current salary, and job title. The report was reviewed and edited on a line by line basis by the Chief Financial Officer, the Human Resources Officer, and Brenda Wise, as a basis for the personnel portion of the annual budget. Specific budget pages were then reviewed by the director of each Department, including the Director of

Substance Abuse. Each year, during the Relevant Period, Ms. McGlone was listed as an employee and her job title changed several times from Office Assistant II to Support Technician to Office Assistant III back to Office Assistant II. No conclusive evidence was received explaining the job title changes.

24. According to testimony from the Chief Financial Officer, during the annual budget process described above, Ms. Wise was asked if Ms. McGlone was to remain in the budget. Ms. Wise typically responded that Ms. McGlone's status was a personnel matter and that she was handling it; as a result Ms. McGlone continued to be accounted for in the budget. The Chief Financial Officer also raised the issue with Ms. Wise on other occasions over the years.

25. The Human Resources Officer questioned Ms. Wise about the status of Jill McGlone annually when the issue came up at budget time and on other occasions. One example was an email on June 13, 2003, in which the Human Resources Officer questioned Ms. Wise whether Ms. McGlone should be taken off the payroll. No response was found among the documents reviewed by the Special Grand Jury. According to testimony, while the fact that Jill McGlone continued to be paid was not hidden, Brenda Wise did not share any underlying reasons. The matter was completely under her control. Ms. Wise communicated this message firmly and repeatedly to the Human Resources Officer and her colleagues.

26. Inquiries were also made by Human Resources staff members. In one email dated August 26, 2002, a staff member was told by Ms. Wise to contact Jill McGlone directly regarding the completion of her health insurance deduction form. Later that year, on December 12, 2002, that same staff member questioned Ms. Wise regarding Ms. McGlone's change in title to Support Technician. The staff member advised Ms. Wise that with the new position codes Jill

McGlone was not aligned in terms of the pay plan and said "I just wanted you to know. If I need to do something please let me know." Ms. Wise replied on December 13, 2002 and said "[t]hanks for the information...let's finesse this for now as I hope to get this all cleared at the beginning of the year."

27. When other administrative staff, including Ms. Wise's assistant, made repeated inquiries, the consistent message from Brenda Wise, either directly or through supervisors, was (i) that the matter was none of their concern, (ii) that it was nothing that they should worry about, or (iii) that the matter was being handled by Ms. Wise directly.

28. NCSB's Fiscal Manager also raised the issue of Jill McGlone with Ms. Wise. In an email dated March 22, 2005, he reminded Brenda Wise that Ms. McGlone was continuing to accrue leave even though physically not working and that Ms. McGlone was "one of the high current balance leave accounts as well." The Fiscal Manager questioned how to approach Ms. McGlone's leave balance "since this is a closed personnel matter that I am not privy to." Later in the year, on August 24, 2005, Brenda Wise responded to the Fiscal Manager and Chief Financial Officer, writing "I am talking with GP [George Pratt] about this including Jill McGlone so we can determine the options we have on these issues."

29. Independent audits of NCSB were performed on an annual basis and payroll sampling procedures did not reveal the McGlone circumstances. Interviews and a review of the work papers of former auditors during the 2003-2007 period failed to corroborate NCSB's former fiscal manager's statement that he informally reported the Jill McGlone situation to audit personnel sometime during that period. The State Department of Mental Health's auditor was

also unable to corroborate the same report for the 2003-2004 audit cycle. Brenda Wise denied any discussion of the McGlone matter with auditors.

30. During the Relevant Period, Brenda Wise repeatedly received reminders that Jill McGlone was continuing to be paid by NCSB while not working. Ms. Wise largely disregarded or deflected all communications concerning Jill McGlone's continuing employment status and took no action either to initiate the process of terminating her employment or to effect her return to work.

31. Once placed on administrative leave with pay, there is no evidence that Jill McGlone made any representations to NCSB in order to continue receiving compensation. Jill McGlone was instructed not to enter upon NCSB premises, and she complied with those instructions. Periodically she received paperwork from NCSB relating to various deductions and signed and returned the paperwork. She was never served with notice of the NCSB client lawsuit and claims that she was not informed of the allegations of breach of confidentiality relating to the HIV status of the NCSB client.

DISCUSSION

A. Culture of NCSB.

(i) The initial failure of George Pratt and Brenda Wise to deal decisively with Jill McGlone lies at the heart of the entire NCSB debacle. The boxcutter incident may have been sufficient cause to justify immediate termination of Jill McGlone. No explanation has been provided as to why investigation of the boxcutter incident was not completed in a timely manner. Both Dr. Pratt and Ms. Wise were fully apprised of that incident and the related thirty-day suspension without pay.

Because the investigation was not completed within 30 days, Ms. McGlone was placed on "administrative leave with pay" on May 15, 1998. Regardless of whether Dr. Pratt was actually informed of Ms. McGlone's return to payroll on "administrative leave with pay", both he and Ms. Wise were aware in late August 1998 of the subsequent NCSB client breach of confidentiality complaint. Despite some direct communication from the Assistant City Attorney to Dr. Pratt, it is apparent that Dr. Pratt deferred entirely to Ms. Wise to deal with the NCSB client/McGlone matter. There is no evidence of any direct communication from Dr. Pratt to the Assistant City Attorney concerning the subject.

The handling of these incidents is consistent with operational responsibility delegated by Dr. Pratt to Ms. Wise within NCSB. While purporting to retain ultimate authority as Executive Director, Dr. Pratt described Ms. Wise as having responsibility for all non-clinical activities. "She was responsible for finance, contract development, human resources, human rights, information technology." He considered changing her position to that of "chief executive officer" to recognize that "for all practical purposes, she handled the daily operations of the [NCSB] board." Testimony indicated that the relationship between Dr. Pratt and Ms. Wise was "always very close." NCSB employees believed that any information known to Brenda Wise was also within the knowledge of George Pratt.

Within the Administration Department of NCSB, checks and balances were in place between human resources and finance department personnel to assure that anomalies affecting employees were noticed and reported. The evidence indicates that these personnel, as a result of the checks and balances in place, repeatedly brought the continued payments to Ms. McGlone to Ms. Wise's attention. All reporting ended with the Director of Administration, Brenda Wise. The Human Resources Director, the Chief Financial Officer, the Fiscal Manager,

and the Substance Abuse Director believed that Ms. Wise was in control of the McGlone matter and that it was not their responsibility to pursue the matter further with Dr. Pratt. Lower level employees who touched upon the McGlone issue in email communications were even less likely to pursue further inquiry after learning that the matter was being handled by Ms. Wise and may have involved legal implications.

(ii) The Special Grand Jury is aware that NCSB, effective July 1, 2012, has been reorganized as an "administrative policy" form of community services board, now functioning as a department of the City of Norfolk. The new Executive Director reports to the City Manager, who works with the NCSB Board of Directors. The City Manager reports directly to Norfolk City Council on NCSB activities. This reorganization may help to allay public concern about the future operations of NCSB, a vital asset of the City. Of particular note, in March 2012, the NCSB Human Resources Department performed a payroll audit in which it verified the physical presence of all employees on the current payroll.

B. Conduct of Jill McGlone.

The Special Grand Jury considers the conduct of Jill McGlone morally reprehensible; however, it cannot find a basis upon which to recommend that criminal charges be filed against her. Ms. McGlone accepted payments over a twelve-year period of "administrative leave with pay," during which she performed no services. During this period, NCSB periodically provided Ms. McGlone forms regarding health benefits and payroll deductions. NCSB further provided Ms. McGlone paperwork to effect changes in health care deductions and direct deposit authorizations. Ms. McGlone routinely signed and returned necessary paperwork. In 1999, Ms. McGlone initiated a request from her mortgage company for verification of her employment.

NCSB affirmed her employment. At most, Ms. McGlone's conduct was shamelessly opportunistic. According to public records, Ms. McGlone filed for relief under Chapter 7 of the federal bankruptcy law and any debt she may have owed the NCSB for the salary paid to her while not working was discharged on November 26, 2012.

C. Conduct of George Pratt.

The Special Grand Jury finds that George Pratt was ineffective in attempting to lead the NCSB toward development of an integrated team. Administrative employees uniformly believed that Brenda Wise was completely in charge of day to day operations. Directors of clinical departments likewise saw her as having overall control of personnel and financial resources. Dr. Pratt was seen as largely disengaged. In the matter of Jill McGlone, his obvious lack of oversight lends credence to his claimed lack of knowledge of her continuing presence on the payroll. There is an absence of any convincing evidence of discussion between George Pratt and anyone on the management staff concerning Ms. McGlone's status. Although Dr. Pratt was certainly aware of her suspended status in the early summer of 1998, the Special Grand Jury does not find sufficient evidence to warrant criminal charges against him for misuse or misappropriation of NCSB assets.

D. Upper Level Management Personnel and Other Personnel.

The Special Grand Jury finds that the Human Resources Director, the Chief Financial Officer, the Fiscal Manager, the Substance Abuse Director, and numerous other support personnel knew at various times that Jill McGlone was not physically working, yet continued to be paid as a full-time employee of NCSB. In many instances these employees brought Ms. McGlone's circumstances to the attention of each other and Ms. Wise, and were led to believe

that she had the matter under control. The Special Grand Jury finds no basis for criminal prosecution of any of these employees; however, it is apparent that the reporting structure of the compliance system was inadequate and compromised because the Compliance Officer reported to Ms. Wise.

E. Board of Directors

The Special Grand Jury found no evidence that the Board of Directors of NCSB was ever apprised of the Jill McGlone matter.

F. Culpability of Brenda Wise.

Upon consideration of the findings of fact set out in paragraphs 1 through 31 of this Report, the Special Grand Jury is of the view that Brenda Wise should be charged with the misuse, misappropriation, and unlawful disposition of public funds, in violation of §18.2-112 of the Virginia Code. In support of this position, the Special Grand Jury further finds:

(i) For a period in excess of ten (10) years, that Brenda Wise, by reason of her actual authority over the financial operations of NCSB, had control over disposition of its payroll; nonetheless, she continued to permit compensation to be paid to Jill McGlone while Ms. McGlone was not working, thereby misusing and misappropriating NCSB assets or otherwise disposing of the same, otherwise than in accordance with law;

(ii) For a period in excess of ten (10) years, that Brenda Wise knowingly failed to pursue investigation and other processes which would have led to termination or reinstatement of Ms. McGlone, either of which would have stopped the flow of unlawful payments to Ms. McGlone;

(iii) For a period in excess of ten (10) years, that Brenda Wise knowingly failed to disclose, and, indeed, knowingly blocked dissemination of information to her superior, Dr. George Pratt, which would have led to termination or reinstatement of Jill McGlone, either of which would have stopped the unlawful flow of payments to Ms. McGlone;

(iv) For a period in excess of ten (10) years, that Brenda Wise, who had authority to end the administrative leave with pay status afforded to Jill McGlone and return her to work, failed to do so, thereby allowing Ms. McGlone to be paid for over ten years while not working;

(v) For a period commencing July 1, 2008, and continuing until February 17, 2009, while Brenda Wise served as Interim Executive Director of NCSB, with sole authority to terminate its employees, Ms. Wise failed to terminate or reinstate Jill McGlone, thereby continuing, knowingly, to misuse, misappropriate or otherwise dispose of NCSB assets otherwise than in accordance with law.

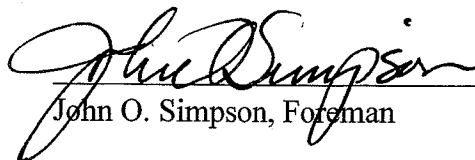
RECOMMENDATION

That the Commonwealth's Attorney present to a regular grand jury under §19.2-214 of the Virginia Code a bill of indictment against Brenda Wise for misuse, misappropriation or other unlawful disposition of public funds in violation of §18.2-112 of the Code of Virginia.


SUBMISSION

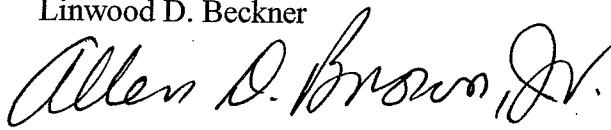
This, the unanimous Report of the Special Grand Jury, is respectfully submitted.

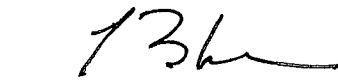
Dated: December 11, 2012.

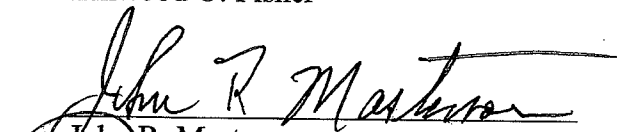

John O. Simpson, Foreman

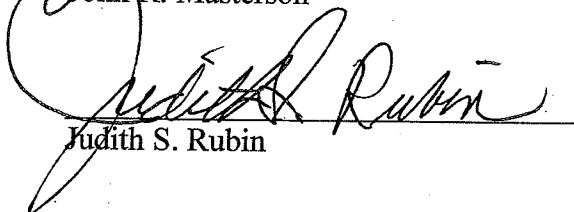
Jurors:



Linwood D. Beckner


Allen D. Brown, Jr.

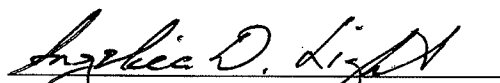

Linwood O. Fisher



John R. Masterson

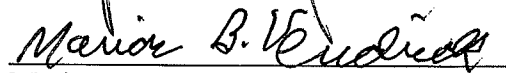

Judith S. Rubin


Marilyn Stephens Booker


Bettie Minette Cooper


Angelica D. Light


W. Craig Reilly


Marion B. Vendrick